

## Message Text

UNCLASSIFIED

PAGE 01 SEOUL 02117 310955Z

21

ACTION EA-10

INFO OCT-01 ISO-00 EB-07 /018 W  
----- 042914

P R 310807Z MAR 75  
FM AMEMBASSY SEOUL  
TO USDOC WASHDC PRIORITY  
INFO SECSTATE WASHDC 9136  
AMEMBASSY SINGAPORE  
AMCONSUL HONG KONG

UNCLAS SEOUL 2117

E.O. 11652: N/A

TAGS: BMEP, BEXP, KS

SUBJECT: MAJOR PROJECT - KOREA CHEMICAL PULP CO. PLANT

REF: SEOUL 5271 (8/13/74)

FOLLOWING IS UPDATE ON PROJECT INFORMATION SUBMITTED REFTEL.

1. NO SUBSTANTIAL CHANGES IN PROJECT DESCRIPTION SUBMITTED REFTEL, EXCEPT CONSTRUCTION WILL BEGIN IN JUNE 1975 WITH A COMPLETION DATE OF DECEMBER 1977.
2. IMPLEMENTING OFFICER, MR. KIM, SUNG JIN, MANAGER, PROJECT DEPARTMENT, HAS MOVED FROM 21ST FLOOR TO 7TH FLOOR IN SAME BUILDING. OTHER INFO REMAINS SAME AS REFTEL.
3. PROJECT COSTS WERE ADJUSTED BASED ON RECENT ESCALATIONS OF VARIOUS COMMODITIES. TOTAL PROJECT COSTS WILL BE \$228 MILLION. FOREIGN EXCHANGE COSTS OF \$161 MILLION FOR EXPORT PACKAGING, OCEAN FREIGHT, INSURANCE, TRAINING, SPARE PARTS FOR TWO YEARS (\$5 MILLION) AND EQUIPMENT IMPORTATION (ESTIMATED \$70 MILLION) WILL BE FINANCED THROUGH LOANS. NEGOTIATIONS ARE PRESENTLY UNDERWAY WITH U.S. EXIMBANK AND THE CANADIAN EXPORT DEVELOPMENT CORPORATION (EDC). REPORTEDLY KOREA CHEMICAL PULP CO. (KCPC) IS VERY ACTIVELY NEGOTIATING WITH EDC OF CANADA AND A FORMAL LOAN IS SOON TO BE SIGNED WITH EDC SOMETIME IN JUNE.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SEOUL 02117 310955Z

4. ASSUMING A LOAN AGREEMENT WITH EDC IS SIGNED IN JUNE 1975, KCPC ESTIMATED THAT AN INVITATION FOR BID FOR THE COMMODITY IMPORTATION WILL BE ISSUED JULY OR AUGUST 1975.

5. MEMORANDU OF UNDERSTANDING FOR A JOINT VENTURE AND SUPPLY OF RAW MATERIALS (WOOD CHIPS) HAS BEEN EXCHANGED RECENTLY BETWEEN LOUISIANA PACIFIC COPR. OF U.S. AND KCPC. MR. KIM, SUNG JIN, PROJECT MANAGER AND MR. CHANG, IN KYU, SENIOR ENGINEER OF KCPC HAVE STATED INTENTION TO PURCHASE EQUIPMENT IN NORTH AMERICA.

6. SINCE THE PROJECT INVOLVES A LARGE AMOUNT OF DOLLARS FOR EQUIPMENT, SPECIAL HANDLING IS REQUESTED. EMBASSY SUGGESTS THAT PROSPECTIVE U.S. SUPPLIERS CONTACT LOUISIANA PACIFIC CORPORATION, PORTLAND, OREGON, FOR DETAILED INFORMATION ON THIS PROJECT. POST WILL MAINTAIN CLOSE CONTACT WITH KCPC. STRONG CANADIAN COMPETITION MAY BE EXPECTED BUT EDC FUNDS ARE NOT TIED. ERICSON

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975SEOUL02117  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750110-1019  
**From:** SEOUL  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t1975032/aaaaabeq.tel  
**Line Count:** 79  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 SEOUL 5271, 75 (8/13/7  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 JUN 2003 by SilvaL0>; APPROVED <11 FEB 2004 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MAJOR PROJECT - KOREA CHEMICAL PULP CO. PLANT  
**TAGS:** BEXP, KS  
**To:** COM  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006